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THE SUNTAG LAW FIRM
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GARY R. FARRAR

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

IN RE:

WILLIAM PAUL MCCULLOCH,

Debtor.

NO: 10-94562-E-7

DC No.: SLF-4

MOTION FOR AUTHORIZATION TO
SELL THE ESTATE'S INTEREST IN
CORPORATE STOCK

Date: July 6, 2011

Time: 10:30 a.m.

Place: Department E

The Honorable Ronald H. Sargis

1 Chapter 7 Trustee Gary R. Farrar respectfully moves for authorization to sell the
2 estate's interest in 9487 shares of stock (the "Stock") of Golden Touch Landscaping, Inc., a
3 California corporation (the "Corporation").

4 Under the proposed sale, Michael J. McCulloch ("Buyer") will buy the estate's
5 interest in the Stock for \$35,000.

6 The Trustee believes the sale is in the best interests of the creditors and this
7 Court should approve it pursuant to Bankruptcy Code Section 363(b).

8 The Trustee represents the following:

9 1. On November 19, 2010, William Paul McCulloch (the "Debtor") filed this
10 case. Gary R. Farrar was appointed Chapter 7 Trustee.

11 2. In the Bankruptcy Case, the Debtor scheduled an interest in "Golden
12 Touch Landscaping, Inc. (9,487 shares)," which he valued as \$10,000, and he claimed \$10,000
13 of it exempt under Code of Civil Procedure Section 703.140(b)(5).

14 3. On February 7, 2011, the Debtor amended his Schedule B and scheduled
15 an interest in "Golden Touch Landscaping, Inc. (9,487 shares)," which he valued as \$9487.00,
16 and he claimed \$9487.00 of it exempt under Section 703.140(b)(5).

17 4. The Trustee entered into negotiations with Buyer for a possible sale to him
18 of the estate's interests in the Stock. (Farrar Decl. ¶ 2). There were substantial negotiations.
19 The Trustee met with Buyer, Debtor, and Debtor's counsel to discuss a possible sale. (Farrar
20 Decl., ¶ 3).

21 5. As a result of the negotiations, the Trustee and Buyer reached an
22 agreement under which Buyer agreed to buy the estate's interest in the Stock for \$35,000 (the
23 "Purchase Amount"). The parties have entered into a proposed sales agreement documenting
24 this (collectively, the "Sale"). (Farrar Decl. ¶ 4, Ex. A).

25 6. As part of the negotiation of this Sale, Debtor agreed that all proceeds of
26 the Sale will go to the bankruptcy estate. The Debtor waived any exemption in the Stock and
27

1 will not claim any exemption in the proceeds of the sale of the Stock or amend his schedules in
2 any way to increase his exemptions.. (Farrar Decl., ¶ 5).

3 7. The Sale is conditional on this Court granting this motion and the Trustee
4 is amenable to overbidding at the hearing on terms that are agreeable to this Court. (Farrar
5 Decl. ¶ 6).

6 8. Bankruptcy Code Section 363(b) provides that a trustee, after notice and a
7 hearing, may sell property of the bankruptcy estate other than in the ordinary course of
8 business.

9 9. The Trustee believes the Sale is in the best interests of creditors. To make
10 this determination, the Trustee obtained advice from his CPA, Paul Quinn. Mr. Quinn reviewed
11 the relevant books and records of the Corporation and determined that the Purchase Amount is
12 a reasonable amount, primarily because the Corporation has not been profitable and,
13 moreover, there could be tax liabilities and insurance issues associated with it. Further, the
14 estate's interest in the Stock is likely worth more to Buyer than it would be to a third party
15 because Buyer is Debtor's father and has made loans to Debtor and the Corporation totaling
16 over \$158,350, and, therefore, has a unique interest in the Corporation. (Farrar Decl., ¶ 7).

17 WHEREFORE, the Trustee respectfully requests that the Court grant this motion
18 and that it grant such other and further relief as is appropriate.

19 Dated: June 1, 2011

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21 By: /s/ Dana A. Suntag
22 DANA A. SUNTAG
23 Attorneys for Chapter 7 Trustee
24 GARY R. FARRAR
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